

LEON B. COON, JR.

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**Bienville Parish Police Jury
Arcadia, Louisiana**

**Primary Government Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 2004
With Supplemental Information Schedules**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-13-05

**VERNON R
COON**
CERTIFIED PUBLIC ACCOUNTANT

**Bienville Parish Police Jury
Arcadia, Louisiana**

**Primary Government Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 2004
With Supplemental Information Schedules**

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Bienville Parish Police Jury
Arcadia, Louisiana
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Required Supplemental Information (Part I)
Management's Discussion and Analysis

Bienville Parish Police Jury
Arcadia, Louisiana
Management's Discussion and Analysis
December 31, 2004

As management of the Bienville Parish Police Jury, we offer readers of the police jury's financial statements this narrative overview and analysis of the financial activities of the police jury for the year ended December 31, 2004. We encourage readers to consider the information presented here, in conjunction with the basic financial statements, and the supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Bienville Parish Police Jury's basic financial statements. The police jury's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Bienville Parish Police Jury's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Bienville Parish Police Jury's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the police jury is improving or deteriorating.

The statement of activities presents information showing how the police jury's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned but not taken annual leave).

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Bienville Parish Police Jury, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the current funds of the police jury are included in one category - governmental funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows

of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Bienville Parish Police Jury maintains ten individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, the Road Maintenance, Solid Waste and Section 8 Housing special revenue funds, and the Community Development Block Grant capital projects fund, which are considered to be a major funds. Data from the other five funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules in the other supplemental information section of the report.

Bienville Parish Police Jury adopts an annual appropriated budget for the General Fund and all special revenue funds. Budgetary comparison schedules are provided in the Required Supplemental Information (Part II) for the major funds to demonstrate compliance with this budget.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain other supplemental information concerning the Bienville Parish Police Jury. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplemental information section.

Government-Wide Financial Analysis As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the fiscal year, assets of the Bienville Parish Police Jury exceeded liabilities by \$8,304,999. Of those net assets, \$2,680,095 represents the police jury's investment in capital assets net of accumulated depreciation. These assets are not available for future spending. The remaining net assets are made up of bank balances, time deposits, and receivables.

Financial Analysis of the Government's Funds Bienville Parish Police Jury uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term revenue, expenditures, and balances of expendable resources. This information is used in assessing the financing requirements of the police jury. Unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2004, combined governmental fund balances of \$5,654,041 showed a decrease of \$3,360 over December 31, 2003. The General Fund's balance of \$3,660,563, is a slightly lower amount

than the 2003 balance of \$3,366,296. This indicates that the police jury effectively stayed within its' budgets and also stayed within the current year's revenues.

Budgetary Highlights

Differences between the bottom line of the original budgets and the final budgets were relatively small. Actual numbers for Ad Valorem Taxes and Severance Taxes were higher than expected, along with Federal Grants and Other State Funds. Expenditures were somewhat higher in areas such as Public Safety and Financial and Administrative.

Capital Asset and Debt Administration

Capital Assets. The Bienville Parish Police Jury's investment in capital assets for its governmental activities as of December 31, 2004, amounts to \$2,680,095 (net accumulated depreciation). This investment includes land, buildings and improvements, infrastructure roads, furniture and equipment, and construction in progress. The increase in capital assets for the year was \$552,799. Reductions in capital assets for the year ended December 31, 2004 were \$156,902.

Long-Term Debt. At the end of the year, Bienville Parish Police Jury had total long-term debt of \$35,349, which consisted solely of accrued and unused employee annual leave. This represents an increase of \$7,200, over the previous year and is due, in part, to an increase in employee wage and salary rates.

Economic Factors and Next Year's Budgets

The police jury's financial plan for this upcoming year is well underway since the adoption of a realistic budget that meets the needs of the parish while protecting the long-term financial stability of the parish.

Due to the increasing costs of Public Safety, the police jury deferred any equipment purchases for the 2005 budget year. Over the last three years we showed an upward trend in costs associated with Public Safety and Insurance. The 2005 General Fund budget is projected to end up with a positive balance even though we expect to expend more than our revenues. Our surplus balance will more than cover this. We are also anticipating a major expansion of the parish jail to alleviate the current problems with increasing costs for housing inmates outside the parish. This project will be paid with the surplus carry-forward balance in the general fund. This will enable the jury to continue working toward a realistic budget for future planning purposes. Our main focus during the year 2005 will be to reduce costs associated with Public Safety while ensuring the fiscal security of the Bienville Parish Police Jury.

Requests for Information

This financial report is designed to be a summary of the Bienville Parish Police Jury's finances. If there are any questions regarding any information, a request can be made in writing to the Bienville Parish Police Jury, at PO Box 479, Arcadia, Louisiana 71001. Our telephone number is (318) 263-2019.

Independent Auditor's Report

**Bienville Parish Police Jury
Arcadia, Louisiana**

**MEMBER AMERICAN
INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS**

**SOCIETY OF LOUISIANA
CERTIFIED PUBLIC
ACCOUNTANTS**

**PRACTICE LIMITED TO
GOVERNMENTAL
ACCOUNTING, AUDITING
AND FINANCIAL REPORTING**

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bienville Parish Police Jury as of and for the year ended December 31, 2004, which collectively comprise the basic financial statements of the parish's primary government as listed in the table of contents. These financial statements are the responsibility of Bienville Parish Police Jury's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

The financial statements referred to above include only the primary government of Bienville Parish which consist of all funds, organizations, institutions, agencies, departments, and offices that comprise the police jury's legal entity. The financial statements do not include financial data of the police jury's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the parish's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of Bienville Parish as of December 31, 2004, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, major funds, and the aggregate remaining fund information for the primary government of Bienville Parish as of December 31, 2004, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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Bienville Parish Police Jury
Arcadia, Louisiana
Independent Auditor's Report,
December 31, 2004

As discussed in Note 1, the police jury has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of December 31, 2004.

Management's discussion and analysis on pages 4 through 6 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise Bienville Parish Police Jury's basic financial statements. The budgetary comparison schedules on pages 30 through 32, which is supplementary information required by the Governmental Accounting Standards Board and the other supplementary information schedules on pages 34 through 39 are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Those schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are presented fairly in all material respects in relation to the basic financial statements taken as a whole.



Columbia, Louisiana
February 21, 2005

Basic Financial Statements

Statement A

Bienville Parish Police Jury
Arcadia, Louisiana
Governmental Activities
Statement of Net Assets
December 31, 2004

Assets

Cash and cash equivalents	\$4,295,537
Receivables	1,751,242
Capital assets (net)	<u>2,680,095</u>
Total Assets	<u><u>\$8,726,874</u></u>

Liabilities

Payables	\$343,544
Deferred revenues	42,782
Compensated absences payable	<u>35,549</u>
Total Liabilities	<u><u>\$421,875</u></u>

Net Assets

Invested in capital assets, net of related debt	\$2,680,095
Unrestricted	<u>5,624,904</u>
Total Net Assets	<u><u>\$8,304,999</u></u>

See accompanying notes to basic financial statements.

Statement B

Bienville Parish Police Jury
Arcadia, Louisiana
Statement of Activities
For the Year Ended December 31, 2004

Functions:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General government	\$896,943	\$23,992		\$149	(\$872,802)
Public safety	592,125	121,196	\$15,000		(455,929)
Public works	3,635,645		189,902	390,881	(3,054,862)
Health and welfare	484,967		309,220	292,133	116,386
Culture and recreation	14,677				(14,677)
Conservation of natural resources	1,510				(1,510)
Economic development and assistance	30,315				(30,315)
Total governmental activities	<u>\$5,656,182</u>	<u>\$145,188</u>	<u>\$514,122</u>	<u>\$683,163</u>	<u>(4,313,709)</u>
General revenues:					
Taxes:					
Property taxes levied for general purposes					608,069
Property taxes levied for public works					718,414
Sales & use taxes levied for public works					1,473,422
Other taxes, penalties, and interest					28,386
Grants and contributions not restricted to specific programs					1,543,790
Licenses and permits					60,589
Unrestricted investment earnings					158,640
Special item - gain on sale of assets					18,607
Total general revenues					<u>4,609,917</u>
Change in net assets					296,208
Net assets at beginning of year					<u>8,008,791</u>
Net assets at end of year					<u>\$8,304,999</u>

See accompanying notes to basic financial statements.

Statement C

Bienville Parish Police Jury
Arcadia, Louisiana
Governmental Funds
Balance Sheet
December 31, 2004

	General	Road Maintenance	Solid Waste	Section 8 Housing	Community Development Block Grant	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and equivalents	\$2,781,211	\$13,045	\$971,408	\$54,690	\$16	\$475,167	\$4,295,537
Receivables	861,712	720,055	106,556		50,504	12,415	1,751,242
Due from other funds	202,500						202,500
Total Assets	\$3,845,423	\$733,100	\$1,077,964	\$54,690	\$50,520	\$487,582	\$6,249,279
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	\$76,042	\$49,402	\$53,750		\$50,504	\$1,353	\$231,051
Salaries and related payable	36,435	18,763				328	55,526
Due to other funds		202,500					202,500
Due to other agencies	56,967						56,967
Deferred revenues				\$42,782			42,782
Total Liabilities	169,444	270,665	53,750	42,782	50,504	1,681	588,826
Fund balances- unreserved - undesignated	3,675,979	462,435	1,024,214	11,908	16	485,901	5,660,453
Total Liabilities and Fund Balances	\$3,845,423	\$733,100	\$1,077,964	\$54,690	\$50,520	\$487,582	\$6,249,279

See accompanying notes to basic financial statements.

Bienville Parish Police Jury
Arcadia, Louisiana
Reconciliation of Governmental Funds Balance Sheet to
Statement of Net Assets
December 31, 2004

Total fund balance - governmental funds	\$5,660,453
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources	2,680,095
Some liabilities, including compensated absences payable are not due and payable in the current period and are therefore not reported in the funds	<u>(35,549)</u>
Net assets of governmental activities	<u><u>\$8,304,999</u></u>

See accompanying notes to basic financial statements.

Statement D

Bienville Parish Police Jury
Arcadia, Louisiana
Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2004

	General	Road Maintenance	Solid Waste	Section 8 Housing	Community Development Block Grant	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes:							
Ad valorem	\$608,069	\$718,414	\$1,473,422				\$1,326,483
Sales and use							1,473,422
Other taxes, penalties, and interest	6,709					\$21,677	28,386
Licenses and permits	60,589						60,589
Intergovernmental revenues:							
Federal funds	247,640			\$309,220	\$348,321		905,181
State funds:							
Severance taxes	683,796	750,000					1,433,796
State revenue sharing	31,610	36,082					67,692
Parish transportation		189,902					189,902
Rural development grants	102,202						102,202
Other	42,054					248	42,302
Fees, charges, and commissions for services	4,549					121,196	125,745
Fines and forfeitures						19,443	19,443
Use of money and property	138,880	8,061	8,462	476		2,761	158,640
Total revenues	1,926,098	1,702,459	1,481,884	309,696	348,321	165,325	5,933,783

EXPENDITURES

Current:

General government:

Legislative

Judicial

Elections

Finance and administrative

Other general government

220,265
151,615
44,130
218,740
222,018

30,309

220,265
181,924
44,130
218,740
222,018

Public safety	535,645					52,226	587,871
Public works	103,763	2,652,051	674,989				3,430,803
Health and welfare	175,663			309,304			484,967
Culture and recreation	14,677						14,677
Conservation of natural resources	1,510						1,510
Economic development and assistance	10,349					19,966	30,315
Capital outlay	31,307	173,171			348,321		552,799
Total expenditures	<u>1,729,682</u>	<u>2,825,222</u>	<u>674,989</u>	<u>309,304</u>	<u>348,321</u>	<u>102,501</u>	<u>5,990,019</u>
Excess (deficiency) of revenues over expenditures	196,416	(1,122,763)	806,895	392	NONE	62,824	(56,236)
OTHER FINANCING SOURCES (Uses)							
Sale of fixed assets		18,607					18,607
Operating transfers in		840,872				6,000	846,872
Operating transfers out	(181,000)		(665,872)				(846,872)
Total other financing sources (uses)	<u>(181,000)</u>	<u>859,479</u>	<u>(665,872)</u>	<u>NONE</u>	<u>NONE</u>	<u>6,000</u>	<u>18,607</u>
NET CHANGE IN FUND BALANCES	15,416	(263,284)	141,023	392	NONE	68,824	(37,629)
FUND BALANCES - BEGINNING	<u>3,660,563</u>	<u>725,719</u>	<u>883,191</u>	<u>11,516</u>	<u>16</u>	<u>417,077</u>	<u>5,698,082</u>
FUND BALANCES - ENDING	<u>\$3,675,979</u>	<u>\$462,435</u>	<u>\$1,024,214</u>	<u>\$11,908</u>	<u>\$16</u>	<u>\$485,901</u>	<u>\$5,660,453</u>

See accompanying notes to basic financial statements.

Bienville Parish Police Jury
Arcadia, Louisiana
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2004

Net change in fund balances - total governmental funds	(\$37,629)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$552,799) exceeded depreciation (\$211,761) in the current period.	341,038
Some expenses reported in the statement of activities, such as a net increase in compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	<u>(7,201)</u>
Change in net assets of governmental activities	<u><u>\$296,208</u></u>

See accompanying notes to basic financial statements.

Notes to the Financial Statements

**Bienville Parish Police Jury
Arcadia, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2004**

Introduction

Bienville Parish Police Jury is the parish governing authority governed by an elected board referred to as the "police jury." (similar to county boards in other states) and is a political subdivision of the State of Louisiana. The police jury is governed by seven police jurors representing the various districts within the parish. The jurors are elected by the voters of their respective districts and serve four-year terms. The current terms of jurors expire in January 2008. Jurors receive compensation for their service on the police jury as provided by Louisiana Revised Statute 33:1233.

Bienville Parish, established by act 183 of the Louisiana Legislature in 1848, is located in the north-central part of the state and occupies 856 square miles of land with a population of 15,752 residents, based on the last census. State law gives the police jury various powers and functions in regulating and directing the affairs of the parish and its inhabitants. The more notable of those are the power to make regulations for their own government, the construction and maintenance of roads and bridges, drainage systems, sewerage, solid waste disposal, fire protection, recreation and parks, parish prison construction and maintenance, road lighting and marking, water works, health units, hospitals, provide for the health and welfare of the poor, disadvantaged, and unemployed, economic development, tourism and regulate the sale of alcoholic beverages in the parish. The police jury also houses and maintains the Courts and the offices of the Assessor, Clerk of Court, Registrar of Voters, District Attorney and the Sheriff. Funding to accomplish these tasks is provided by ad valorem taxes, sales taxes, beer and alcoholic beverage permits, parish licenses, state revenue sharing, and various other state and federal grants.

In accomplishing its objectives the police jury has 34 employees (3 in the central office, 2 in the courthouse, 1 in the 911 office, and 28 in public works) In addition to maintaining drainage and bridges in the parish, the police jury currently maintains 551 miles of parish roads (513 miles of asphalt and 38 miles of gravel or unimproved).

The police jury also has the authority to create special districts (component units) within the parish to help in fulfilling its functions. The districts perform specialized functions, such as fire protection, water distribution, sewerage collection and disposal, drainage control, library facilities, and health care facilities.

In June, 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements and Management's Discussion and analysis for State and Local Governments*. Certain of the significant changes in the statements include the following:

- For the first time the financial statements include:
 - A Management Discussion and Analysis (MD&A) providing an analysis of the police jury's overall financial position and results of operations.
 - Financial statements prepared using full accrual accounting for all of the police jury's activities, including infrastructure (roads).
- A change in the fund financial statements to focus on the major funds.

Bienville Parish Police Jury
 Arcadia, Louisiana
 Notes to the Financial Statements (Continued)

These and other changes are reflected in the accompanying financial statements (including notes to the financial statements). The police jury has elected to implement the general provisions of the Statement in the current year and plans to retroactively report infrastructure bridges acquired prior to January 1, 2005, in the fiscal year ending December 31, 2005.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the jury is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the police jury may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. In accordance with GASB Statement 14, the reporting entity for Bienville Parish consist of the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement No. 14 established criteria for determining which component units should be considered part of Bienville Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the police jury has determined that the following component units are part of the Bienville Parish reporting entity:

<u>Component Unit</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Bienville Parish:		
Library	December 31	1, 2, & 3
Communications District	December 31	1 and 3
Industrial Development Board	December 31	1 and 3
Hospital District No. 1	December 31	1 and 3

Bienville Parish Police Jury
Arcadia, Louisiana
Notes to the Financial Statements (Continued)

<u>Component Unit</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Hospital District No. 2	April 30	1 and 3
Industrial District No. 2	December 31	1 and 3
Recreation District No. 1	December 31	1 and 3
Recreation District No. 3	December 31	1 and 3
Wards 1 and 2 Fire Protection District	December 31	1, 2, & 3
Wards 4 and 5 Fire Protection District	December 31	1, 2, & 3
Fire Protection District No. 6	December 31	1, 2, & 3
Ward 7 Fire District	December 31	1, 2, & 3
Tourist Commission	December 31	1 and 3
Sheriff	June 30	1, 2, & 3
Clerk of Court	June 30	1, 2, & 3
Assessor	December 31	1, 2, & 3
North Bienville Fire Protection District	December 31	1, 2, & 3
Castor Area Recreation District	December 31	1 and 3
Shady Grove Recreation District	December 31	1 and 3
Shiloh Community Waterworks District	June 30	1 and 3
Mill Creek Recreation and Water Conservation District	December 31	1 and 3
Kepler Creek Recreation and Water Conservation District	December 31	1 and 3

Considered in the determination of component units of the reporting entity was the Bienville Parish School Board, the District Attorney for the Second Judicial District, the Second Judicial District Court and the various municipalities in the parish. It was determined that these governmental entities are not component units of Bienville Parish reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of Bienville Parish Police Jury.

GASB Statement 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (police jury's) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units.

The police jury has chosen to issue financial statements of the primary government (police jury) only; therefore, none of the previously listed component units, except as discussed in the following paragraph, are included in the accompanying primary government financial statements. These financial statements are not intended to and do not report on the Bienville Parish reporting entity but rather are intended to reflect only the financial statements of the primary government (police jury).

The primary government financial statements include all funds, account groups, and organizations for which the police jury maintains the accounting records. The organizations for which the police jury maintains the accounting records are considered part of the primary government (police jury) and include the Bienville Parish Communications District and Industrial District No. 2.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and, where applicable, proprietary and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and, where applicable, major individual enterprise funds are reported as separate columns in the fund financial statements.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary and fiduciary fund financial statements, where applicable. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Ad valorem taxes, state revenue sharing, and federal and state grants are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the police jury.

Bienville Parish Police Jury
Arcadia, Louisiana
Notes to the Financial Statements (Continued)

The police jury reports the following major governmental funds:

The General Fund is the police jury's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund

The Road Maintenance Fund accounts for the maintenance of the parish highways, streets, and bridges. Financing is provided by the State of Louisiana Parish Transportation Fund, severance tax, a specific Parish wide ad valorem tax, and state revenue sharing funds, and interest earning.

The Solid Waste Fund accounts for the collection and disposal of solid waste in the parish. Financing is provided by a specific parish wide sales and use tax. In accordance with the tax proposition, excess revenues of the fund are transferred to the Road Maintenance Fund to be used for road rehabilitation projects.

The Section 8 Housing Fund accounts for the operations of the lower housing assistance program whose purpose is to aid very low income families in obtaining decent, safe, and sanitary rental housing. Financing is provided by grants from the U.S. Department of Housing and Urban Development.

The Capital Projects Fund accounts for financial resources received and used for the acquisition, construction, or improvement of capital facilities such as fire stations and equipment and water wells and distribution lines. Funding is provided by community development block grants from the U.S. Department of Housing and Urban Development through the Louisiana Office of the Governor - Division of Administration.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The police jury has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the police jury's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Deposits and Investments

The police jury's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the police jury's investment policy allow the police jury to invest in collateralized certificates of deposits, government backed securities, commercial paper, the Louisiana Asset Management Pool (a state sponsored investment pool), and mutual funds consisting solely of government backed securities. Investments for the police jury are reported at fair value.

D. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources

All property tax receivables are shown net of an allowance for uncollectibles. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15th. Ad valorem taxes become delinquent if not paid by December 31st. The taxes are normally collected in December of the current year and January and February of the ensuing year. The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Property taxes for:			
General government	4.00	5.01	Indefinite
Public works	5.82	5.92	2005

The difference between authorized and levied millage is the result of reassessments of taxable property within the parish as required by Article 7, Section 18 of the Louisiana Constitution of 1974. The following are the principal taxpayers for the parish and their 2004 assessed valuation (amounts expressed in thousands):

	<u>2004 Assessed Valuation</u>	<u>Per cent of Total Assessed Valuation</u>
Bear Creek Storage Company	\$18,474	12.25 %
Entergy-Koch Trading, LP	15,415	10.22 %
Conoco Phillips Company	6,233	4.13 %
Centerpoint Energy Gas Transmission	4,712	3.12 %

Bienville Parish Police Jury
Arcadia, Louisiana
Notes to the Financial Statements (Continued)

	2004 Assessed Valuation	Per cent of Total Assessed Valuation
Entergy Louisiana, Inc.	\$4,557	3.02 %
El Paso Production Company	4,093	2.71 %
Centerpoint Energy - ArkLa	3,775	2.50 %
Energen Resources	2,917	1.93 %
Duke Energy Field Services, Inc.	2,570	1.70 %
Alabama Gas Corporation	2,161	1.43 %
Total	<u>\$64,907</u>	<u>43.04 %</u>

Sales Taxes The police jury receives a one per cent (1%) sales and use tax approved by the voters in 1994. The tax was renewed in 2003 and will expire on June 30, 2014. In accordance with the tax proposition, the proceeds of the tax are dedicated to first, provide for the collection and disposal of solid waste in the parish and second, with any remaining proceeds to be used for constructing, improving, and maintaining roads and bridges in the parish with the prohibition that no proceeds can be used for salaries.

E. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Approximately 86% of non-infrastructure assets are based on actual costs while the remaining 14% are based on the actual historical costs of like items. The cost of infrastructure assets (roads) acquired prior to 2004 are based on current replacement cost adjusted to their year of acceptance into the parish road system using the U.S. Department of Labor's producer price index. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The police jury maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend their useful lives are not capitalized.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Infrastructure roads	20 - 40 Years
Buildings and building improvements	10 - 40 Years
Furniture and fixtures	5 - 10 Years
Vehicles	5 - 10 Years
Heavy equipment	5 - 10 Years
Other equipment	5 - 10 Years

F. Compensated Absences

The following policies relating to vacation and sick leave are currently in effect:

All full-time and probationary employees of the police jury earn from five to fifteen days of annual leave per year, depending on their length of service. Employees may accumulate and carry forward a maximum of 30 days. Employees also earn 10 days of sick leave per year with no limit of accumulation. Upon retirement or termination, unused annual leave will be paid to the employee at his or her current rate of pay. Employees are not paid for accumulated sick leave. Upon termination of employment, for reasons other than retirement, all accumulated sick leave is forfeited. Employees retiring have the option of converting unused sick leave to service time for the purpose of retirement benefit calculation, as provided by the Parochial Employees Retirement System.

The entire compensated absence liability, determined in accordance with the provisions of GASB Codification Section C60, is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported in the governmental funds.

G. Long-Term Obligations

In the government-wide financial statements long-term obligations, such as compensated absences, are reported as liabilities in the applicable governmental activities. In the fund financial statements, governmental fund types recognize compensated absences only to the extent that they will be paid with current resources

H. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

I. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the police jury, which are either unusual in nature or infrequent in occurrence.

J. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

Bienville Parish Police Jury
Arcadia, Louisiana
Notes to the Financial Statements (Continued)

2. CASH AND CASH EQUIVALENTS

Under state law, the police jury may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2004, the police jury has cash and cash equivalents (book balances) totaling \$4,295,537, as follows:

Demand deposits	\$790,389
Time deposits	<u>3,505,148</u>
Total	<u>\$4,295,537</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at December 31, 2004, are as follows:

Bank Balances	<u>\$4,350,431</u>
Federal deposit insurance	\$500,016
Pledged securities (uncollateralized)	<u>4,996,813</u>
Total	<u>\$5,496,829</u>

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the police jury that the fiscal agent has failed to pay deposited funds upon demand.

3. RECEIVABLES

The receivables of \$1,751,242 at December 31, 2004, are as follows:

	General Fund	Special Revenue Funds	Capital Projects Funds	Total
Ad valorem taxes	\$574,848	\$679,366		\$1,254,214
Sales and use taxes		106,556		106,556
Federal grants	56,967		\$50,504	107,471
State grants	215,851	40,136		255,987
Accounts and other	14,046	12,968		27,014
Total	<u>\$861,712</u>	<u>\$839,026</u>	<u>\$50,504</u>	<u>\$1,751,242</u>

Bienville Parish Police Jury
Arcadia, Louisiana
Notes to the Financial Statements (Continued)

4. INTERFUND RECEIVABLES/PAYABLES

At December 31, 2004, the Road Maintenance Fund owed the General Fund \$202,500. The balance is the result of a \$280,000, interfund loan made to the Road Maintenance Fund during 2004 to finance current year operations. The Road Maintenance Fund repaid \$77,500 during the year and will repay the balance in the first quarter of 2005.

5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2004, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	\$407,200			\$407,200
Construction in progress	41,835	\$348,321		390,156
Total capital assets not being depreciated	449,035	348,321	NONE	797,356
Capital assets being depreciated:				
Infrastructure - roads	12,537,867	9,671		12,547,538
Buildings and improvements	2,556,231			2,556,231
Office furniture and equipment	144,666		(\$500)	144,166
Heavy Equipment	1,280,616	33,856	(92,968)	1,221,505
Vehicles	795,454	142,809	(57,109)	881,153
Miscellaneous equipment	339,907	18,142	(6,325)	351,724
Total capital assets being depreciated	17,654,741	204,478	(156,902)	17,702,317
Less accumulated depreciation for:				
Infrastructure - roads	(11,860,880)	(32,295)		(11,893,175)
Buildings and improvements	(2,201,817)	(6,002)		(2,207,819)
Office furniture and equipment	(135,179)	(5,747)	500	(140,426)
Heavy Equipment	(773,385)	(85,972)	92,968	(766,390)
Vehicles	(520,571)	(66,170)	57,109	(529,631)
Miscellaneous equipment	(272,886)	(15,575)	6,325	(282,136)
Total accumulated depreciation	(15,764,719)	(211,761)	156,902	(15,819,577)
Total capital assets being depreciated (net)	1,890,022	(7,283)	NONE	1,882,739
Total capital assets (net)	\$2,339,057	\$341,038	NONE	\$2,680,095

Depreciation expense for the year was charged to the following governmental functions:

	Amount
General government	\$9,866
Public safety	4,254
Public works (including depreciation on road infrastructure)	197,641
Total	\$211,761

Bienville Parish Police Jury
Arcadia, Louisiana
Notes to the Financial Statements (Continued)

6. INTERFUND TRANSFERS

Interfund transfers during the year were as follows:

	Transfers From		
	General Fund	Solid Waste Fund	Total
Road Maintenance Fund	175,000	665,872	840,872
Non-Major Funds	6,000		6,000
	<u>\$181,000</u>	<u>\$665,872</u>	<u>\$846,872</u>

All transfers during the year were for the purpose of funding current operations of the receiving funds. The General Fund, by its nature, can provide assistance to any fund. The transfers from the Solid Waste Fund to the Road Maintenance Fund, as discussed in Note 1-D, are allowed by the tax proposition.

7. LEASES

The police jury has operating leases as follows: (describe leases)

The minimum annual commitments under noncancellable operating leases are as follows:

Insert a schedule of noncancellable operating leases here. It should be by type of lease (equipment, buildings, etc.)
By year for five years and in five year increments thereafter.

8. LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation (compensated absences) transactions for the year ended December 31, 2004;

Compensated absences at January 1	\$28,348
Additions	27,072
Deductions	(21,037)
Adjustment	<u>1,166</u>
Compensated absences at December 31	<u>\$35,549</u>

As discussed in Note 1-F, upon separation from service employees are paid for accumulated leave at their then current rate of pay. The adjustment is for the purpose of adjusting the ending liability for ending pay rates.

9. RETIREMENT SYSTEM

Substantially all employees of the Bienville Parish Police Jury are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the police jury are members of Plan A.

All permanent employees working at least twenty-eight hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one per cent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus 3 per cent of final-average salary for each salary for each year of service credited after the revision date. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefits accrued to their date of termination. The system also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

Under Plan A, members are required by state statute to contribute 9.50 per cent of their annual covered salary and the Bienville Parish Police Jury is required to contribute at an actuarially determined rate. The current rate is 11.75 per cent of annual covered payroll. Contributions to the system also include one-fourth of one per cent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Bienville Parish Police Jury are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Bienville Parish Police Jury's contributions to the System under Plan A for the years ending December 31, 2004, 2003, and 2002, were \$95,874, \$63,642, and \$60,981, respectively, equal to the required contributions for each year.

10. OTHER POST EMPLOYMENT BENEFITS

11. RISK MANAGEMENT

The police jury is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; liability; and injuries to employees and others. To handle such risk of loss, the police jury maintains commercial insurance policies covering; automobile liability and medical payments; workers compensation;

Bienville Parish Police Jury
Arcadia, Louisiana
Notes to the Financial Statements (Continued)

general liability; and surety bond coverage on the secretary/ treasurer and other employees handling money. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts.

12. LITIGATION

At December 31, 2004, the police jury is involved in one lawsuit, the resolution of which would not materially affect the financial position of the police jury.

Required Supplemental Information (Part II)

**Bienville Parish Police Jury
Arcadia, Louisiana**

**Required Supplementary Information
Budgetary Comparison Schedules for Major Funds
For the Year Ended December 31, 2004**

Preliminary budgets for the ensuing year are prepared by the secretary/treasurer prior to November of each year. During November, the finance committee reviews the proposed budgets and makes changes as they deem appropriate. The availability of the proposed budgets for public inspection and the date of the public hearing on the budgets are then advertised in the official journal. During its regular December meeting, the police jury holds a public hearing on the proposed budget in order to receive comments from residents. Changes are made to the proposed budgets based on the public hearing and the desires of the police jury as a whole. The budgets are then adopted during the police jury's regular December meeting, and a notice is published in the official journal.

During the year, the police jury receives monthly budget comparison statements which are used as a tool to control the operations of the parish. The secretary/treasurer presents necessary budget amendments to the police jury during the year when, in his judgement, actual operations are differing materially from those anticipated in the original budget. The jury, during a regular meeting, reviews the proposed amendments, makes changes as they feel necessary, and formally adopts the amendments. The adoption of the amendments is included in police jury minutes published in the official journal.

The police jury exercises budgetary control at the function level. Unexpended appropriations lapse at year end and must be reappropriated in the next year's budget to be expended.

For the year ended December 31, 2004, modified accrual based budgets were adopted for the General Fund and all special revenue funds. Budgetary comparison schedules include the original budgets and all subsequent amendments

Schedule 1

Bienville Parish Police Jury
Arcadia, Louisiana
Budgetary Comparison Schedule - General Fund
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Ad valorem	\$557,000	\$527,000	\$608,069	\$81,069
Other taxes, penalties, & interest	11,000	10,000	6,709	(3,291)
Licenses and permits	64,000	63,000	60,589	(2,411)
Intergovernmental revenues:				
Federal funds - federal grants	175,000	266,000	247,640	(18,360)
State funds:				
State revenue sharing (net)	30,000	25,000	31,610	6,610
Severance taxes	600,000	635,000	683,796	48,796
Fire insurance rebate	55,000	55,000	41,547	(13,453)
Rural development		100,000	102,202	2,202
Other			507	507
Fees, charges, and commissions for services	4,500	4,500	4,549	49
Use of money and property	71,500	133,850	138,880	5,030
Total revenues	<u>1,568,000</u>	<u>1,819,350</u>	<u>1,926,098</u>	<u>106,748</u>
Expenditures				
Current:				
General government:				
Legislative	221,144	215,144	220,265	(5,121)
Judicial	119,266	123,241	151,615	(28,374)
Elections	54,442	55,542	44,130	11,412
Finance and administrative	161,218	205,218	218,740	(13,522)
Other general government	175,946	191,086	222,018	(30,932)
Public safety	255,827	530,055	535,645	(5,590)
Public works	15,000	115,000	103,763	11,237
Health and welfare	186,000	189,000	175,663	13,337
Conservation of natural resources	16,600	15,650	16,187	(537)
Economic development and assistance	10,440	10,340	10,349	(9)
Capital outlay		30,672	31,307	(635)
Total expenditures	<u>1,215,883</u>	<u>1,680,948</u>	<u>1,729,682</u>	<u>(48,734)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>352,117</u>	<u>138,402</u>	<u>196,416</u>	<u>58,014</u>
Other Financing Sources (Uses)				
Operating transfers out	<u>(305,000)</u>	<u>(180,000)</u>	<u>(181,000)</u>	<u>(1,000)</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<u>47,117</u>	<u>(41,598)</u>	<u>15,416</u>	<u>57,014</u>
Fund Balance - Beginning	<u>NONE</u>	<u>41,598</u>	<u>3,660,563</u>	<u>3,618,965</u>
Fund Balance - Ending	<u>\$47,117</u>	<u>NONE</u>	<u>\$3,675,979</u>	<u>\$3,675,979</u>

(Continued)

Schedule 1

Bienville Parish Police Jury
Arcadia, Louisiana
Budgetary Comparison Schedule - Road Maintenance Fund
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes - Ad valorem	\$635,000	\$615,000	\$718,414	\$103,414
<i>Intergovernmental revenues - state funds:</i>				
Parish transportation funds	195,000	195,000	189,902	(5,098)
State revenue sharing (net)	40,000	25,000	36,082	11,082
Severance taxes	750,000	750,000	750,000	
Use of money and property	17,500	7,400	8,061	661
Total revenues	<u>1,637,500</u>	<u>1,592,400</u>	<u>1,702,459</u>	<u>110,059</u>
Expenditures				
Current - Public Works:				
Personal services	1,016,400	997,600	1,048,195	(50,595)
Operating services	1,103,000	1,052,300	1,071,022	(18,722)
Materials and supplies	672,500	531,500	532,834	(1,334)
Travel and other charges	300			
Capital outlay	55,800	163,500	173,171	(9,671)
Total expenditures	<u>2,848,000</u>	<u>2,744,900</u>	<u>2,825,222</u>	<u>(80,322)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,210,500)</u>	<u>(1,152,500)</u>	<u>(1,122,763)</u>	<u>(29,737)</u>
Other Financing Sources (Uses)				
Sale of fixed assets	13,000	18,600	18,607	7
Operating transfers in	920,000	845,000	840,872	(4,128)
Total other financing sources (uses)	<u>933,000</u>	<u>863,600</u>	<u>859,479</u>	<u>(4,121)</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<u>(277,500)</u>	<u>(288,900)</u>	<u>(263,284)</u>	<u>25,616</u>
Fund Balance - Beginning	<u>277,500</u>	<u>288,900</u>	<u>725,719</u>	<u>436,819</u>
Fund Balance - Ending	<u>NONE</u>	<u>NONE</u>	<u>\$462,435</u>	<u>\$462,435</u>

(Continued)

Bienville Parish Police Jury
Arcadia, Louisiana
Budgetary Comparison Schedule
Solid Waste and Section 8 Housing Funds
For the Year Ended December 31, 2004

	Solid Waste Fund			Section 8 Housing Fund		
	Budgeted Amounts		Variance With	Budgeted Amounts		Variance With
	Original	Final	Final Budget Positive (Negative)	Original	Final	Final Budget Positive (Negative)
Revenues						
Taxes - Sales and use	\$1,400,000	\$1,400,000	\$1,473,422			\$73,422
Intergovernmental revenues -						
Federal - Section 8 housing	15,000	9,000	8,462	\$275,000	\$300,000	\$309,220
Use of money and property				500	400	476
Total revenues	1,415,000	1,409,000	1,481,884	275,500	300,400	309,696
						76
						9,296
Expenditures						
Current						
Public Works:						
Sales tax collection fees	20,000	21,000	20,191			809
Waste collection and disposal fees	580,000	630,000	654,798			(24,798)
Health and welfare:						
Administrative fees				45,100	45,000	52,497
Rental assistance				215,000	250,000	256,807
Total expenditures	600,000	651,000	674,989	260,100	295,000	309,304
Excess (Deficiency) of Revenues over Expenditures	815,000	758,000	806,895	15,400	5,400	392
Other Financing Uses						
Operating transfers out	(900,000)	(750,000)	(665,872)	NONE	NONE	NONE
Excess (Deficiency) of Revenues over Expenditures and Other Uses	(85,000)	8,000	141,023	15,400	5,400	392
Fund Balance - Beginning	85,000		883,191			11,516
Fund Balance - Ending	NONE	\$8,000	\$1,024,214	\$15,400	\$5,400	\$11,908
			\$1,016,214			\$6,508

(Concluded)

Other Supplemental Schedules

Bienville Parish Police Jury
Arcadia, Louisiana
Supplemental Information Schedules
as of and for the Year Ended December 31, 2004

Non-Major Special Revenue Funds

Communications District Fund

The Communications District Fund accounts for the purpose of establishing, maintaining, and operating the 911 emergency telephone system for Bienville Parish. Financing is provided by a 5 per cent service charge on local telephone service within the parish.

District Court Expense Fund

The District Court Expense Fund accounts for the payments to off-duty law enforcement officers and others as witnesses in criminal cases. Financing is provided by fines paid by defendants who are found guilty in district court and operating transfers from the General Fund.

Recycling Program Fund

The Recycling Program Fund accounts for the education of parish residents on the energy savings potential and positive environmental benefits of recycling and energy conservation in waste management. Funding is provided by a federal grant from the United States Department of Energy which is passed through the Louisiana Department of Environmental Quality.

Industrial District No. 2 Fund

The Industrial District No. 2 Fund accounts for the excess funds of the Industrial District No. 2 Debt Service Fund which was closed during 1990 by the transfer of its remaining funds to this special revenue fund. These funds will be used within the boundaries of the Industrial District No. 2 Fund.

Tourism Fund

The Tourism Fund accounts for a dedicated tax of two percent, as authorized by Louisiana Revised Statute 33:4574, levied on all hotel/motel occupancy charges in the parish and is dedicated to the development and promotion of tourism.

Schedule 2

Bienville Parish Police Jury
Arcadia, Louisiana
Non-Major Special Revenue Funds

Combining Balance Sheet, December 31, 2004

	<u>Communications District</u>	<u>District Court Expense</u>	<u>Recycling Program</u>	<u>Industrial District No. 2</u>	<u>Tourism</u>	<u>Total</u>
Assets						
Cash and equivalents	\$387,895	\$208	\$14,003	\$38,655	\$34,406	\$475,167
Receivables	<u>12,415</u>					<u>12,415</u>
Total Assets	<u>\$400,310</u>	<u>\$208</u>	<u>\$14,003</u>	<u>\$38,655</u>	<u>\$34,406</u>	<u>\$487,582</u>
Liabilities and Fund Equity						
Liabilities:						
Accounts payable	\$443	\$910				\$1,353
Salaries and related payable	<u>\$328</u>					<u>328</u>
Total Liabilities	<u>771</u>	<u>910</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>1,681</u>
Fund Equity - fund balances - unreserved - undesignated	<u>399,539</u>	<u>(702)</u>	<u>\$14,003</u>	<u>\$38,655</u>	<u>\$34,406</u>	<u>485,901</u>
Total Liabilities And Fund Equity	<u>\$400,310</u>	<u>\$208</u>	<u>\$14,003</u>	<u>\$38,655</u>	<u>\$34,406</u>	<u>\$487,582</u>

Schedule 3

Bienville Parish Police Jury
Arcadia, Louisiana
Non-Major Special Revenue Funds

Combining Schedule of Revenues, Expenditures,
And Changes in Fund Balances
For the Year Ended December 31, 2004

	Communications District	District Court Expense	Recycling Program	Industrial District No. 2	Tourism	Total
Revenues						
Taxes - hotel/motel					\$21,677	\$21,677
Intergovernmental - state funds	\$248					248
Fees, charges, and commissions for services	121,196					121,196
Fines and forfeitures		\$19,443				19,443
Use of money and property	2,328	9	\$104	\$320		2,761
Total revenues	<u>123,772</u>	<u>19,452</u>	<u>104</u>	<u>320</u>	<u>21,677</u>	<u>165,325</u>
Expenditures						
Current:						
General government - judicial		30,309				30,309
Public safety	52,226					52,226
Economic development				5,706	14,260	19,966
Total expenditures	<u>52,226</u>	<u>30,309</u>	<u>NONE</u>	<u>5,706</u>	<u>14,260</u>	<u>102,501</u>
Excess (Deficiency) of Revenues over Expenditures	<u>71,546</u>	<u>(10,857)</u>	<u>104</u>	<u>(5,386)</u>	<u>7,417</u>	<u>62,824</u>
Other Financing Sources						
Operating transfers out	<u>NONE</u>	<u>6,000</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>6,000</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures	<u>71,546</u>	<u>(4,857)</u>	<u>104</u>	<u>(5,386)</u>	<u>7,417</u>	<u>68,824</u>
Fund Balance - Beginning	<u>327,993</u>	<u>4,155</u>	<u>13,899</u>	<u>44,041</u>	<u>26,989</u>	<u>417,077</u>
Fund Balance - Ending	<u>\$399,539</u>	<u>(\$702)</u>	<u>\$14,003</u>	<u>\$38,655</u>	<u>\$34,406</u>	<u>\$485,901</u>

Bienville Parish Police Jury
Arcadia , Louisiana
Supplemental Information Schedules
for the Year Ended December 31, 2004

Compensation Paid Police Jurors

The schedule of compensation paid to police jurors and commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the police jurors is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:1233, the police jury has elected the monthly payment method of compensation. Under this method, jurors receive \$1,200 per month.

Schedule 4**Bienville Parish Police Jury
Arcadia, Louisiana****Schedule of Compensation Paid Police Jurors
For the Year Ended December 31, 2004**

Mike McCarthy	\$14,400
William Sims	14,400
Lee Thomas	14,400
Tommy Thompson	14,400
Tommie Uzzle	426
Huey Vernon	14,400
Ben Wiggins	14,400
Greg Wilson	<u>13,974</u>
Total	<u><u>\$100,800</u></u>

Schedule 5

BIENVILLE PARISH POLICE JURY
Arcadia, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2004

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL EXPENDITURES
UNITED STATES DEPARTMENT OF TRANSPORTATION			
Passed through Louisiana Department of Transportation and Development - Public Transportation for Non-Urbanized Areas	20.509	741-07-0110 741-07-0111	\$74,949 81,714 <u>156,663</u>
Total Department of Transportation			
UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Direct program - Lower-Income Housing Assistance - Choice Vouchers Program	14.871	FW 2222	309,303
Passed through State of Louisiana - Division of Administration - Community Development Block Grant/States Program	14.228	601394	<u>348,321</u>
Total Department of Housing and Urban Development			<u>657,624</u>
FEDERAL EMERGENCY MANAGEMENT AGENCY - OFFICE OF HOMELAND SECURITY			
Passed through Louisiana Department of Public Safety and Corrections - State Domestic Preparedness Equipment Support Program	97.004	2003-TE-TX-0163	90,977
Total Federal Financial Assistance			<u>\$905,264</u>

Footnote:

This schedule was prepared on the modified accrual basis of accounting.

Other Reports

**Independent Auditor's Reports
on Compliance with
Laws, Regulations, Contracts, and Grants,
and Internal Control**

The following independent auditor's reports on compliance with laws, regulations, contracts, and grants and internal control are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States; the U. S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; the *Single Audit Act Amendments of 1996*; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

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SOCIETY OF LOUISIANA
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**Report on Compliance and Internal Control Over Financial
Reporting Based on an Audit of Financial Statements Performed
in Accordance *Government Auditing Standards***

Bienville Parish Police Jury
Arcadia, Louisiana

I have audited the basic financial statements of Bienville Parish Police Jury as of and for the year ended December 31, 2004, and have issued my report there on dated February 21, 2005. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Bienville Parish Police Jury's basic financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Bienville Parish Police Jury's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

Bienville Parish Police jury
Arcadia, Louisiana
Independent Auditor's Report on Compliance
and Internal Control Over Financial Reporting, etc.
December 31, 2004

This report is intended for the information of the members of Bienville Parish Police Jury, management of the police jury, federal awarding agencies and pass-through entities, and the Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, it is issued by the Legislative Auditor as a public document.

A handwritten signature in black ink, appearing to be 'Samuel L. ...', is written over the printed name and location.

Columbia, Louisiana
February 21, 2005



**Report on Compliance With Requirements
Applicable to Each Major Program and Internal Control
Over Compliance in Accordance With OMB Circular A-133**

Bienville Parish Police Jury
Arcadia, Louisiana

Compliance

I have audited the compliance of Bienville Parish Police Jury with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2004. Bienville Parish Police Jury's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Bienville Parish Police Jury's management. My responsibility is to express an opinion on Bienville Parish Police Jury's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Bienville Parish Police Jury's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Bienville Parish Police Jury's compliance with those requirements.

In my opinion, Bienville Parish Police Jury complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2004. The results of my auditing procedures disclosed no instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133.

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Bienville Parish Police Jury
Arcadia, Louisiana
Report on Compliance With Requirements
Applicable to Each Major Program and
Internal Control Over Compliance, etc.
December 31, 2004

Internal Control Over Compliance

The management of Bienville Parish Police Jury is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered Bienville Parish Police Jury's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended for the information of the members of Bienville Parish Police Jury, management of the police jury, federal awarding agencies and pass-through entities, and the Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, it is issued by the Legislative Auditor as a public document.



Columbia, Louisiana
February 21, 2005

BIENVILLE PARISH POLICE JURY
Arcadia, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2004

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of Bienville Parish Police Jury.
2. No reportable conditions relating to the audit of the financial statements are reported in the Report on Compliance and Internal Control Over Financial Reporting.
3. No instances of noncompliance material to the financial statements of Bienville Parish Police Jury were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award program are reported in the Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance.
5. The auditor's report on compliance for the major federal award program for Bienville Parish Police Jury expresses an unqualified opinion.
6. No audit findings relative to the major federal award program for Bienville Parish Police Jury are reported.
7. The United States Department of Housing and Urban Development - Community Development Block Grant States Program (CFDA 14.228) was tested as a major program.
8. The threshold for distinguishing type A and B programs was \$300,000.
9. Bienville Parish Police Jury was determined to be a low risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

No findings resulted from the financial statements audit.

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL
AWARD PROGRAMS AUDIT**

None

**Bienville Parish Police Jury
Arcadia, Louisiana**

**Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2004**

The audit report for the year ended December 31, 2003, contained no audit findings.